

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)	CASE NO.
OF CANNONSBURG WATER DISTRICT)	2011-00518

ORDER

On December 27, 2011, Cannonsburg Water District ("Cannonsburg") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Cannonsburg purchases water from the city of Ashland ("Ashland") and Big Sandy Water District ("Big Sandy").
2. Ashland notified Cannonsburg that, effective January 1, 2012, its wholesale rate to Cannonsburg would increase from \$2.33 per 1,000 gallons to \$2.46 per 1,000 gallons.
3. Cannonsburg proposes a purchased water adjustment factor of \$0.19 per 1,000 gallons.
4. Cannonsburg placed the proposed rates into effect January 1, 2012.
5. During the 12 months ending November 30, 2011, Cannonsburg purchased 542,442,000 gallons of water from Ashland and 2,735,800 gallons from Big

¹ KRS 278.015; 807 KAR 5:068.

Sandy, and sold 380,995,000 gallons. The increase in the cost of purchased water is \$70,517.46, resulting in a purchased water adjustment factor of \$0.19 per 1,000 gallons.

6. The purchased water adjustment factor of \$0.19 per 1,000 gallons is fair, just, and reasonable and should be approved.

7. Cannonsburg misapplied the purchased water adjustment factor to its current rates and, therefore, its proposed rates incorrectly reflect the increase in its supplier's wholesale rate.

8. The rates set forth in Appendix B to this Order are fair, just, and reasonable and should be approved for service that Cannonsburg renders on and after January 1, 2012.

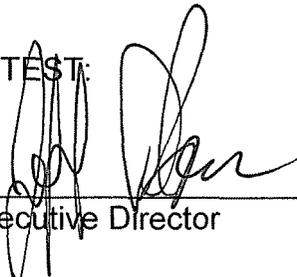
IT IS THEREFORE ORDERED that:

1. Cannonsburg's proposed rates are denied.
2. The purchased water adjustment factor of \$0.19 per 1,000 gallons as calculated in Appendix A is approved.
3. The rates in Appendix B are approved for service that Cannonsburg renders on or after January 1, 2012.
4. Within 20 days of the date of this Order, Cannonsburg shall file with the Commission revised tariff sheets setting forth the rates approved herein.

By the Commission

ENTERED *pn*
JAN 10 2012
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2011-00518 DATED ~~JAN 10 2012~~

	Changed Rate	Base Rate
Ashland		
Purchases in gallons	542,442,000	542,442,000
Volumetric rate	<u>\$ 2.46 /1,000</u>	<u>\$ 2.33/1,000</u>
	\$1,334,407.32	\$1,263,889.86
 Big Sandy		
Purchases in gallons	2,735,800	2,735,800
Volumetric rate	<u>\$ No Change</u>	<u>\$ No Change</u>
	Increased water cost	\$ 70,517.46

Increased water cost	\$ 70,517.46
Divided by gallons sold	<u>380,995,000</u>
Purchased water adjustment factor	\$0.19 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2011-00518 DATED JAN 10 2012

The following rates and charges are prescribed for the customers in the area served by Cannonsburg Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

5/8 x 3/4-Inch Meter

First	2,000 gallons	\$17.86	Minimum Bill
Next	3,000 gallons	6.83	per 1,000 gallons
Next	15,000 gallons	6.45	per 1,000 gallons
Next	30,000 gallons	6.07	per 1,000 gallons
Next	50,000 gallons	5.70	per 1,000 gallons
Over	100,000 gallons	5.30	per 1,000 gallons

1 1/2- Inch Meter

First	5,000 gallons	\$38.35	Minimum Bill
Next	15,000 gallons	6.45	per 1,000 gallons
Next	30,000 gallons	6.07	per 1,000 gallons
Next	50,000 gallons	5.70	per 1,000 gallons
Over	100,000 gallons	5.30	per 1,000 gallons

2-Inch and 3-Inch Meters

First	20,000 gallons	\$135.10	Minimum Bill
Next	30,000 gallons	6.07	per 1,000 gallons
Next	50,000 gallons	5.70	per 1,000 gallons
Over	100,000 gallons	5.30	per 1,000 gallons

6-Inch Meter

First	50,000 gallons	\$317.20	Minimum Bill
Next	50,000 gallons	5.70	per 1,000 gallons
Over	100,000 gallons	5.30	per 1,000 gallons

12-Inch Meter

First	100,000 gallons	\$602.20	Minimum Bill
Over	100,000 gallons	5.30	per 1,000 gallons

Wholesale volumetric rate

Big Sandy Water District

\$3.13 per 1,000 gallons

City of Greenup

\$3.13 per 1,000 gallons

Leak Adjustment Rate

\$2.82 per 1,000 gallons

Danny R Clarkston
Manager
Cannonsburg Water District
1606 Cannonsburg Road
P. O. Box 1535
Ashland, KY 41105